

# **EXHIBIT D**

## SOFTWARE LICENSE AND SERVICES AGREEMENT

This Software License and Services Agreement ("Agreement") is made as of December 15, 1997 ("Effective Date") by and between PeopleSoft, Inc. ("PeopleSoft"), a Delaware corporation having an office at 4305 Hacienda Drive, P.O. Box 9085, Pleasanton, California 94566 and Washington Gas Light Company ("Licensee"), having an office at 1100 H Street Washington DC 20080.

### TERMS AND CONDITIONS

#### 1. LICENSE

1.1 PeopleSoft grants Licensee a perpetual, non-exclusive, non-transferable (except as set forth in Section 13) license to use the licensed Software in Licensee's facilities located in the Territory, solely for Licensee's Internal Data Processing Operations, for the size entity, all as specified in the Schedule(s). Licensee shall use any third party Software products or modules provided by PeopleSoft solely with PeopleSoft Software. Licensee may modify, merge or interface the Software with other third party software, provided, however, that no modification, however extensive, shall diminish PeopleSoft's title or interest in the Software.

1.2 PeopleSoft grants the right to use the Extended Enterprise Capabilities over Licensee's Intranet for the sole purpose to expand the deployment of the Software for use within the Territory solely in connection with the operation of Licensee, Licensee's Affiliates and their respective Designates to meet Licensee's internal Software data processing operations consistent with the terms set forth in this Agreement.

1.3 PeopleSoft shall provide Licensee with the number of copies of the Software and Documentation only as specified in the applicable Schedule. Licensee may make a reasonable number of copies of the Software and Documentation solely for Licensee's internal use in accordance with the terms of this Agreement, provided all copyright and proprietary notices are reproduced.

1.4 For the purposes of this Agreement, the term "Internal Data Processing Operations" means use of the Software and Documentation for the internal benefit of Licensee and any of Licensee's Affiliates. Licensee warrants that it has the authority to bind Affiliates to the confidentiality and use restrictions of this Agreement or if Licensee lacks such authority, Licensee agrees that it will enter into a written agreement with its Affiliates in which Affiliates accept confidentiality and use limitations no less restrictive than those set forth herein.

1.5 Licensee may allow third parties who are not PeopleSoft Competitors to perform outsourcing services, implementation services or otherwise modify and/or use the Software as long as all such third party services are for Licensee's Internal Data Processing Operations (as defined in Section 1.4) and such third party's rights with respect to the Software are limited to the extent of Licensee's rights as set forth in this Agreement.

#### 2. LICENSE EXCLUSIONS

2.1 *Except as expressly authorized herein*, Licensee shall not:

- a. Copy the Software;
- b. Cause or permit reverse compilation or reverse assembly of all or any portion of the Software;
- c. Distribute, disclose, market, rent, lease or transfer to any third party any portion of the Software (including PeopleTools) or the Documentation, or use the Software or Documentation in any service bureau arrangement, facility management, or third party training;

- d. Publish the results of Software performance benchmarks to any third party without PeopleSoft's prior written consent;
- e. Transfer the Software to a different software database platform without providing prior written notice to PeopleSoft and payment of any additional fees that may be due, provided however that PeopleSoft agrees that no additional fees will be due for transfers to any of the software database platforms set forth in the current version of the Hardware Software Requirements Guide;
- f. Transfer or use the Software outside the Territory without providing prior written notice to PeopleSoft, and without paying applicable fees;
- g. Export the Software in violation of U.S. Department of Commerce export administration regulations; and
- h. Use PeopleTools except solely in conjunction with the licensed PeopleSoft applications.
- i. Authorize or permit Designates to use the Software or Extended Enterprise Capabilities other than as allowed in Section 1.2 of this Agreement.

2.2 No license, right, or interest in any PeopleSoft trademark, trade name, or service mark is granted hereunder.

### 3. FEES AND PAYMENT TERMS

3.1 Licensee shall pay PeopleSoft the fees as specified in each applicable Schedule.

3.2 Unless Licensee provides PeopleSoft with a valid tax exemption or direct pay certificate, Licensee is responsible for all taxes, duties and customs fees concerning the Software and/or services, excluding taxes based on PeopleSoft's income. Overdue payments shall bear interest at the lesser of twelve percent (12%) per annum or the maximum rate allowed under applicable law.

### 4. TITLE AND PROTECTION

4.1 PeopleSoft (or its third-party providers) retains title to all portions of the Software, Documentation and any copies thereof. If Licensee creates a Software modification, Licensee shall only have title in such modification that remains after PeopleTools has been separated from the modification ("Licensee Modification"). Licensee shall use Software modifications created by Licensee solely for its internal use in accordance with the terms of this Agreement.

4.2 Title to the physical media for the Software vests in Licensee upon delivery. PeopleSoft represents that the Software contains valuable proprietary information.

4.3 The Software was developed at private expense, is commercial, and is published and copyrighted. The Software may be transferred to the U.S. government only with the prior written consent of PeopleSoft and solely with "Restricted Rights" as that term is defined in FAR 52.227-19(c)(2) (or DFAR 252.227-7013(c)(1) if the transfer is to a defense-related agency) or subsequent citation. If Licensee is an agency of the United States government or licensing the Software for operation on behalf of the United States government, the Software is licensed to Licensee with rights no greater than those set forth in Federal Acquisition Regulation 52.227-19(c)(2) [or DFAR 252.227-7013(c)(1) if the Licensee is a defense-related agency] or subsequent citation.

4.4 The terms of Paragraphs 4.1 - 4.3 shall survive termination of this Agreement.

## 5. PATENT AND COPYRIGHT INDEMNITY

PeopleSoft shall indemnify and defend Licensee against any claims that the Software infringes any patent, copyright, trade secret, trademark or other intellectual property right, provided that PeopleSoft is given prompt written notice of such claim and is given information, reasonable assistance, and sole authority to defend or settle the claim. In the defense or settlement of the claim, PeopleSoft shall, in its reasonable judgment and at its option and expense: (i) obtain for Licensee the right to continue using the Software; (ii) replace or modify the Software so that it becomes noninfringing while giving equivalent performance; or (iii) if PeopleSoft cannot obtain the remedies in (i) or (ii), terminate the license for the infringing Software, and upon receipt of the infringing Software, return only the license fees paid by Licensee for such Software. PeopleSoft shall have no liability to indemnify or defend Licensee to the extent the alleged infringement is based on: (i) a modification of the Software by anyone other than PeopleSoft; or (ii) use of the Software other than in accordance with the Documentation or the terms set forth in this Agreement. The terms of this Section 5 shall survive termination of this Agreement.

## 6. DEFAULT AND TERMINATION

6.1 An event of default is: (i) a failure by either party to comply with any material obligation under this Agreement; and (ii) such non-compliance remains uncured for more than thirty (30) days after receipt of written notice thereof.

6.2 If an event of default occurs, the nondefaulting party, in addition to any other rights available to it under law or equity, may terminate this Agreement and all licenses granted hereunder by giving written notice to the defaulting party. Except as otherwise specifically stated herein, remedies shall be cumulative and there shall be no obligation to exercise a particular remedy.

6.3 In the event PeopleSoft is acquired by or merges with another company, Licensee may terminate this Agreement upon thirty (30) days written notice thereof.

6.4 Within fifteen (15) days after termination of this Agreement, Licensee shall certify in writing to PeopleSoft that all copies of the Software and Documentation in any form, including partial copies within modified versions, have been destroyed or returned to PeopleSoft.

## 7. LIMITED WARRANTY

7.1 PeopleSoft warrants that it has title to the Software and/or the authority to grant licenses to use the third party Software. The terms of this Section 7.1 shall survive termination of this Agreement.

7.2 PeopleSoft warrants that all Software is Year 2000 compliant, will correctly handle the change of the century in a standard compliant manner, including both the year 2000 and beyond as well as the leap year and the absence of leap year, and will operate accurately with respect to date related operations. For purposes of this Agreement, compliance with the foregoing shall mean that the Software operates and correctly processes such that (i) calculations using dates execute utilizing a four digit year; (ii) the Software functionality, including but not limited to, entry, inquiry, maintenance and update (whether on-line, batch or otherwise) shall support four digit year processing, (iii) interfaces and reports shall support four digit year processing, (iv) successful transition to the year 2000 using the correct system date shall occur without human intervention, (v) after the transition to the year 2000, processing with a four digit year shall occur without human intervention, (vi) all leap years shall be calculated correctly, and (vii) correct results shall be produced in forward and backward date calculation spanning century boundaries (there are no years stored as two digits).

7.3 PeopleSoft warrants that the Software will perform substantially in accordance with the Documentation for a period of one (1) year from the date of initial installation and thereafter for as long as Licensee remains on PeopleSoft's Software Support Services; and that the Software media is free from material defects. PeopleSoft does not warrant that the Software is error-free.

7.4 PeopleSoft's sole obligation is limited to repair or replacement of the defective Software, provided Licensee notifies PeopleSoft of the deficiency within the warranty period and provided Licensee has installed all Software updates provided pursuant to PeopleSoft's Support Services; provided however, that if PeopleSoft is unable or unwilling to repair or replace the defective Software within a reasonable period of time, Licensee shall be entitled to terminate this Agreement and receive a full refund of any license fees paid pursuant to this Agreement, as well as pro-rated amount of the Support Services fees paid to PeopleSoft by Licensee during the year of such notification. The Support Services fees refund shall be prorated based upon the number of unused months of Support Services remaining in the year of such notification. **PEOPLESOFT DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

#### **8. LIMITATION OF LIABILITY**

EXCLUDING LICENSEE'S INTENTIONAL OR RECKLESS BREACH OF PEOPLESOFT'S INTELLECTUAL PROPERTY RIGHTS, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST DATA OR LOST PROFITS, HOWEVER ARISING, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCLUDING DAMAGES INCURRED BY LICENSEE UNDER THE ARTICLE ENTITLED, "PATENT AND COPYRIGHT INDEMNITY," PEOPLESOFT'S LIABILITY FOR DAMAGES UNDER THIS AGREEMENT (WHETHER IN CONTRACT OR TORT) SHALL IN NO EVENT EXCEED THE AMOUNT PAID BY LICENSEE TO PEOPLESOFT FOR THE SOFTWARE OR THE SERVICES FROM WHICH THE CLAIM AROSE. THE PARTIES AGREE TO THE ALLOCATION OF LIABILITY RISK SET FORTH IN THIS SECTION.

#### **9. SOFTWARE SUPPORT SERVICES TERMS AND CONDITIONS**

PeopleSoft shall provide Licensee with Support Services at the single Site as set forth in the applicable Schedule.

#### **10. INSTALLATION SUPPORT**

PeopleSoft shall provide Licensee with installation support for one copy of the licensed Software on the designated server(s) at the Site at no additional charge, for a maximum of installation support equal to the number of days set forth in the applicable Schedule. Any additional installation support requested by Licensee shall be provided to Licensee at the then-current PeopleSoft Professional Services Group hourly rate, or at the hourly rate as specified in the applicable Schedule. Licensee shall reimburse PeopleSoft for all pre-approved reasonable travel and living expenses associated with any installation support.

#### **11. TRAINING**

PeopleSoft shall provide Licensee with the number of training units set forth in the Schedule for use at a PeopleSoft training facility. Licensee may use training units for training at Licensee's site only as the parties mutually agree in writing. Licensee must use these training units within two (2) years from the Schedule Effective Date. Licensee may make a reasonable number of copies of the training materials issued in connection with the use of such training units, provided such copies are solely for Licensee's internal use, and all copyright and proprietary notices are reproduced.



**12. NOTICES**

All notices shall be in writing and sent by registered mail, overnight mail, courier, or transmitted by facsimile (if confirmed by such mailing), to the addresses indicated on the first page of this Agreement, or such other address as either party may indicate by at least ten (10) days prior written notice to the other party. Notices to PeopleSoft shall be sent to the attention of PeopleSoft Legal with a copy to Licensee's assigned PeopleSoft account manager.

**13. ASSIGNMENT AND DIVESTITURE OF AFFILIATE**

**13.1** Licensee may not assign this Agreement (by operation of law or otherwise) or sublicense the Software without the prior written consent of PeopleSoft, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, upon prior written notice to PeopleSoft, Licensee may transfer this Agreement to an Affiliate who is not a competitor of PeopleSoft to accommodate internal restructuring of Licensee's organization.

**13.2** In the course of its business Licensee may (i) sell an Affiliate so such entity is a stand-alone company without any affiliation to Licensee or (ii) reduce its ownership or control in an Affiliate below fifty percent (50%) of the stock having the right to vote or appoint directors thereto ("Divested Affiliate"). PeopleSoft agrees that such Divested Affiliate, for no additional PeopleSoft license fee, may continue to use the PeopleSoft Software licensed hereunder for a period not to exceed two (2) years following the date of such divestiture ("Divestiture Date"); provided such (i) Divested Affiliate and Licensee execute and deliver to PeopleSoft a mutually acceptable Amendment for such continued use of the PeopleSoft Software; (ii) the scope of use of the PeopleSoft Software is not expanded beyond the Divested Affiliate's internal use; and (iii) such Divested Affiliate is not a competitor of PeopleSoft. In order for such Divested Affiliate to continue to receive Software Support Services from PeopleSoft, such Divested Affiliate must pay PeopleSoft the then-current fee for such Support Services. During the two (2) year period following the Divestiture Date, such Support Services shall be calculated according to the Section of the applicable Schedule titled "Support Services Terms for One Single, Central Site". During the first year following the Divestiture Date, the Support Services fees shall be prorated to account for any Support Services fees paid by Licensee for the Divested Affiliate's benefit prior to the Divestiture Date. Prior to the end of the two (2) year period referenced herein, PeopleSoft and Divested Affiliate shall enter into a mutually acceptable License Agreement to allow for the continued use of the PeopleSoft Software by the Divested Affiliate; license fees for such continued use shall be those fees as contemplated in the Section of the applicable Schedule titled "Divestiture License Fees".

**13.3** Except in the event of a merger, acquisition or the like, PeopleSoft may not assign this Agreement (by operation of law or otherwise) without the prior written consent of Licensee, and any prohibited assignment shall be null and void. If PeopleSoft assigns this Agreement as provided in this Section 13, the assignee shall acquire all rights and obligations as specified in this Agreement.

**14. NONDISCLOSURE OBLIGATION**

**14.1** The terms, conditions, pricing and any other information clearly marked "confidential" under this Agreement are confidential and shall not be disclosed, orally or in writing by Licensee to any third party without the prior written consent of PeopleSoft, except as otherwise permitted in Section 14.2 of this Agreement.

**14.2** Licensee shall protect the Software with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which Licensee utilizes for Licensee information that it does not wish disclosed to the public. Licensee may provide access to and use of the Software only to those third parties that: (i) provide services to Licensee concerning Licensee's use of the Software; (ii) have a

need to use and access the Software; and (iii) have agreed to substantially similar non-disclosure obligations imposed by Licensee as those contained herein.

14.3 PeopleSoft shall protect Licensee's confidential information with at least the same degree of care and confidentiality which PeopleSoft utilizes for similar PeopleSoft information which it does not wish disclosed to the public. PeopleSoft may provide access to and use of Licensee's confidential information only to those third parties that: (i) provide services to PeopleSoft concerning PeopleSoft's use of Licensee's confidential information; (ii) have a need to use and access Licensee's confidential information; and (iii) have agreed to substantially similar non-disclosure obligations imposed by PeopleSoft as those contained herein.

14.4 This Agreement imposes no obligation upon either party ("Recipient") with respect to the other party's ("Discloser's") confidential information which Recipient can establish by legally sufficient evidence: (a) was in the possession of, or was rightfully known by Recipient without an obligation to maintain its confidentiality prior to receipt from Discloser; (b) is or becomes generally known to the public without violation of this Agreement; (c) is obtained by Recipient in good faith from a third party having the right to disclose it without an obligation on confidentiality; (d) is independently developed by Recipient without the participation of individuals who have had access to Discloser's confidential information; or (e) was required to be disclosed by applicable law, provided that Recipient notifies Discloser of such requirement prior to disclosure, and provided further that Recipient makes diligent efforts to limit disclosure.

14.5 The terms of Paragraphs 14.1 - 14.4 shall survive termination of this Agreement.

## 15. GENERAL

This Agreement is made in and shall be governed by the laws of the State of California, without regard to its choice of law principles. Venue shall be in San Francisco, California. The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement. No purchase order or other ordering document that purports to modify or supplement the printed text of this Agreement or any Schedule shall add to or vary the terms of this Agreement. All such proposed variations or additions (whether submitted by PeopleSoft or Licensee) are objected to and deemed material unless agreed to in writing. Except for Licensee's obligation to pay PeopleSoft, neither party shall be liable for any failure to perform due to causes beyond its reasonable control. If any provision of this Agreement is held to be unenforceable, this Agreement shall be construed without such provision. The failure by a party to exercise any right hereunder shall not operate as a waiver of such party's right to exercise such right or any other right in the future. Except for actions for non-payment or breach of PeopleSoft's proprietary rights in the Software, no action, regardless of form, arising out of this Agreement may be brought by either party more than one year after the cause of action has accrued. PeopleSoft reserves the right to audit Licensee's use of the Software no more frequently than once annually at PeopleSoft's expense. All audits shall be conducted during regular business hours at Licensee's site and shall not unreasonably interfere with Licensee's business activities. PeopleSoft shall schedule any such audits at least fifteen (15) days in advance.

This Agreement constitutes the entire agreement between the parties concerning Licensee's use of the Software. This Agreement replaces and supersedes any prior verbal or written understandings, communications, and representations between the parties. This Agreement may be amended only by a written document executed by a duly authorized representative of each of the parties. To expedite order processing, Transmitted Copies are considered documents equivalent to original documents.

## 16. NONDISCRIMINATION POLICY

PeopleSoft agrees that it will comply with all applicable laws, rules and regulations regarding nondiscriminatory employment practices.

#### 17. DEFINITIONS

**"Affiliate"** means (i) a parent company that owns or controls directly or indirectly, at any tier, at least fifty percent (50%) of the stock of Licensee having the right to vote or appoint directors thereto; or (ii) a company in which Licensee, or a parent company defined in subsection (i) above, own or control directly or indirectly, at any tier, at least fifty percent (50%) of the stock having the right to vote or appoint directors thereto.

**"Designates"** means Licensee's customers, suppliers, vendors, benefits providers and other such external parties that Licensee may provide with a right to use the licensed PeopleSoft software modules pursuant to this Agreement.

**"Documentation"** means publications relating to the use of the Software, such as reference, user, installation, systems administrator and technical guides, delivered by PeopleSoft to Licensee.

**"Extended Enterprise Capabilities"** means the new functionality and expanded license rights incorporated in the Software modules beginning with the release of Software version PeopleSoft 7 which enables the expansion of Licensee's usage and deployment of licensed PeopleSoft Software modules through the use of Licensee's Intranet.

**"Internal Data Processing Operations"** means use of the Software and Documentation for the internal benefit of Licensee and/or its Affiliates.

**"Intranet"** means only Licensee's fire-wall secured intranet, internet, and/or extranet using a Windows-client or Web-client within a hardware configuration determined by Licensee to meet its internal business needs.

**"Licensee Modification"** means a modification to the Software as defined in Section 4.1

**"PeopleSoft Competitors"** means the entities specified in Exhibit A attached hereto.

**"PeopleTools"** means the underlying architecture from which the Software is designed, and includes software application programming tools and code.

**"Schedule(s)"** means the independent Software product schedule(s) executed by the parties and which reference this Agreement. Each Schedule is a separate and independent contractual obligation from any other Schedule.

**"Site"** means a specific, physical location of Licensee's server as set forth in the applicable Schedule that shall be the one location to which Support Services are provided, if at all.

**"Software"** means all or any portion of the then commercially available global version of the binary computer software programs and enhancements thereto, (including corresponding source code, unless specifically excluded elsewhere in the Agreement) and Documentation delivered by PeopleSoft to Licensee as listed in the applicable Schedule. Software includes the third-party software delivered by PeopleSoft as specified in the Schedule, and modifications made to the Software. Software does not include source code to: (i) PeopleTools; (ii) or third party Software. Unless specifically stated otherwise, all Software is delivered to Licensee only if and when generally commercially available.



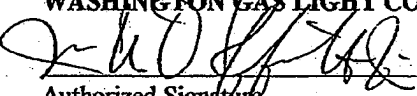
"Territory" means that territory set forth in the applicable Schedule: (i) in which Licensee may use the Software; and (ii) for which the Software may be used; and (iii) which describes the limited functionality of the Software for which the Software is licensed.

"Transmitted Copies" means this Agreement, Schedules and other ordering documents which are (i) copied or reproduced and transmitted via photocopy, facsimile or process that accurately transmits the original documents; and (ii) accepted by PeopleSoft.

The authorized representatives of the parties have signed this Software License and Services Agreement.

WASHINGTON GAS LIGHT COMPANY

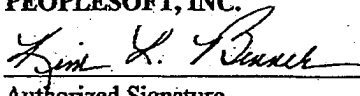
PEOPLESOFT, INC.

  
Authorized Signature

James H. DeGraffenreidt, Jr.

President and Chief Operating Officer

Printed Name and Title

  
Authorized Signature

Kim L. Benner - Vice President Sales

Printed Name and Title

ORIGINAL

### Software Support Services Terms and Conditions

Software Support Services Terms and Conditions ("Support Services") are referenced in and incorporated into the Agreement between PeopleSoft and Licensee. Upon reasonable notice, PeopleSoft reserves the right to modify the terms and conditions of Support Services on an annual basis to reflect current market conditions.

#### 1. Coverage

PeopleSoft provides Licensee with Support Services for the Software for the single, central Site set forth in the applicable Schedule in consideration of Licensee's payment of the applicable Support Services fees to PeopleSoft. Only designated Licensee employees may contact PeopleSoft for the provision of Support Services. Licensee may acquire Support Services for additional Licensee sites by paying PeopleSoft the applicable annual secondary site Support Services fee.

#### 2. Software Maintenance

The following technical and functional improvements will be issued periodically by PeopleSoft to improve Software operations:

- a. Fixes to Errors;
- b. Updates; and
- c. Enhancements contained within new releases.

#### 3. Priority Level of Errors

Licensee shall report an Error and provide PeopleSoft with Licensee's categorization of the Error. PeopleSoft shall reasonably and conclusively determine the priority level of Error and will respond in accordance with the following protocols:

##### Priority A:

PeopleSoft promptly initiates the following procedures: (1) assign PeopleSoft specialist(s) to correct the Error; (2) provide ongoing communication on the status of the correction; and (3) immediately begin to provide a Workaround or a Fix.

##### Priority B:

(1) PeopleSoft assigns a PeopleSoft specialist to commence correction of Error; and (2) provide escalation procedures as reasonably determined by PeopleSoft support staff. PeopleSoft exercises all commercially reasonable efforts to include the Fix for the Error in the next Software maintenance release.

##### Priority C:

PeopleSoft may include the Fix for the Error in the next major Software release.

#### 4. Telephone Support

PeopleSoft provides telephone support concerning installation and use of the Software. Except for designated holidays, standard telephone support hours are Monday through Friday, 4:00 a.m. to 6:30 p.m., Pacific Time. Telephone Support is also available 24-hours a day, 7-days a week for in-production customers who need to resolve critical production problems outside of normal support hours.

#### 5. Account Manager

Within five (5) business days from the Effective Date of the Agreement, PeopleSoft assigns an account manager to assist with the on-going support relationship between PeopleSoft and Licensee. Upon Licensee's reasonable and valid business request, PeopleSoft shall assign a new account manager to Licensee. Licensee will reimburse PeopleSoft for the pre-approved reasonable travel and living expenses of the account manager for on-Site support activity. Upon the Effective Date, it is PeopleSoft's intention to assign an account manager from PeopleSoft's Bethesda, MD regional office.

#### 6. Customer Connection

- a. The PeopleSoft Customer Connection system is an on-line, self-service system which features postings by PeopleSoft and PeopleSoft Software users regarding technical and non-technical topics of interest. Licensee (and those third parties as specified in Section 14.2 of the Agreement) may access PeopleSoft Customer

Connection via the Internet. At Licensee's expense, Licensee is responsible for independently acquiring appropriate Internet access.

- b. All Software maintenance releases and Fixes to the Software may be delivered to Licensee through PeopleSoft Customer Connection, or by mail from PeopleSoft upon written request by Licensee. All information specified in Customer Connection by PeopleSoft is confidential and proprietary to PeopleSoft and shall only be used in connection with Licensee's and its Affiliates use of the Software and informational communications with other PeopleSoft Customer Connection participants. PeopleSoft reserves the right to modify information posted to PeopleSoft Customer Connection. PeopleSoft shall have the right to publish and distribute only through PeopleSoft Customer Connection in all languages and in association with Licensee's name any material or software programs provided by Licensee to Customer Connection. Licensee shall not use PeopleSoft Customer Connection for advertising or public relations purposes and shall only submit information to PeopleSoft Customer Connection which is owned by Licensee or which Licensee has third party permission to submit to PeopleSoft Customer Connection for use by all other PeopleSoft Customer Connection users.
- c. In the interest of diminishing exposure to software viruses, PeopleSoft tests and scans for software viruses all information entered by PeopleSoft prior to submission of information to PeopleSoft Customer Connection. Licensee shall also use a reliable virus detection system on any software or information posted to PeopleSoft Customer Connection, utilize back-up procedures, monitor access to PeopleSoft Customer Connection, promptly notify PeopleSoft of any virus detected within Licensee's systems associated with PeopleSoft Customer Connection and generally exercise a reasonable degree of caution when utilizing information from PeopleSoft Customer Connection. PeopleSoft does not warrant that Customer Connection will operate without interruption or without errors. PeopleSoft reserves the right to modify or suspend PeopleSoft Customer Connection service in connection with PeopleSoft's provision for Support Services.

#### 7. Fees

The first year of Support Services for the Site is included in the Software license fee; thereafter, in the event Licensee elects to continue to receive Support Services, Licensee shall pay PeopleSoft the annual Support Services fee as set forth in the applicable Schedule. Support Services are billed on an annual basis, payable in advance. Licensee shall be responsible for all taxes associated with Support Services, exclusive of taxes based on PeopleSoft's income. Licensee's payment shall be due within thirty (30) days of receipt of the PeopleSoft invoice. Should Licensee elect not to renew Support Services and subsequently request Support Services, PeopleSoft shall reinstate Support Services only after Licensee pays PeopleSoft the annual then current fee plus all cumulative fees that would have been payable had Licensee not suspended Support Services.

#### 8. Term and Termination

Unless otherwise expressly set forth in the Agreement, Support Services shall be provided for a period of one (1) year from the Schedule Effective Date, and shall be extended each additional year unless terminated by either party. Each one (1) year term shall commence on the anniversary of the Schedule Effective Date.

Either party may terminate the Support Services provisions at the end of the original term or at the end of any renewal term by giving the other party written notice at least ninety (90) days prior to the end of any term.

In the event Licensee fails to make payment pursuant to the section titled "Fees", or in the event Licensee breaches the Support Services provisions and such breach has not been cured within thirty (30) days of written receipt of notice of breach, PeopleSoft may suspend or cancel Support Services.

In the event PeopleSoft materially breaches or fails or refuses to perform the Support Services provisions when Licensee is not in default of its obligation to pay any amounts then due and payable, and such breach has not been cured within thirty (30) days of PeopleSoft's receipt of Licensee's written notice of such breach, then Licensee shall have the right to terminate the Support Services for the Software in question and PeopleSoft shall refund to Licensee a pro-rated amount of the Support Services fees paid to PeopleSoft by Licensee during the year of such termination. The refund shall be prorated based upon the number of unused months of Support Services remaining in the termination year.

#### 9. Exclusions

PeopleSoft shall have no obligation to support:

- a. Substantially altered, damaged or substantially modified Software;
- b. Software that is not the then-current release, or a Previous Sequential Release;
- c. Errors caused by Licensee's negligence, hardware malfunction, or other causes beyond the reasonable control of PeopleSoft;
- d. Software installed in a hardware or operating environment not supported by PeopleSoft; and
- e. Third party software not licensed through PeopleSoft.

#### 10. General

All Updates provided to Licensee are subject to the terms and conditions of the Agreement.

PeopleSoft shall not be liable for any failure or delay in performance of the Support Services due to causes beyond its reasonable control. Any illegal or unenforceable provision shall be severed from these Terms and Conditions. Licensee agrees that any information received pursuant to these Terms and Conditions shall be deemed subject to the non-disclosure obligations set forth in the Agreement. The Support Services Terms and Conditions states the entire agreement of PeopleSoft's provision of Support Services to Licensee and may only be amended by a written amendment executed by both parties.

#### 11. Definitions

Unless otherwise defined herein, capitalized terms used herein shall have the same meaning as set forth in the Agreement and applicable Schedule.

"Enhancement" means technical or functional additions to the Software to improve software functionality and/or operations. Enhancements are delivered with new releases of the Software.

"Error" means a malfunction in the Software which degrades the use of the Software.

"Fix" means the repair or replacement of source or object or executable code versions of the Software to remedy an Error.

"Previous Sequential Release" means a release of Software for use in a particular operating environment which has been replaced by a subsequent release of the Software in the same operating environment. A Previous Sequential Release will be supported by PeopleSoft for a period of eighteen (18) months after release of the subsequent release. Multiple Previous Sequential Releases may be supported at any given time.

"Priority A " means an Error that: (1) renders the Software inoperative; or (2) causes the Software to fail catastrophically.

"Priority B " means an Error that affects performance of the Software, but does not prohibit Licensee's use of the Software.

"Priority C " means an Error that causes only a minor impact of the use of the Software.

"Update" means all published revisions to the Documentation and one (1) copy of the new release of the Software which are not designated by PeopleSoft as new products for which it charges separately.

"Workaround" means a change in the procedures followed or data supplied to avoid an Error without significantly impairing performance of the Software.

DEC. 16. 1997 1:31PM

NO. 5115 P. 21

**SCHEDULE ONE  
TO THE  
SOFTWARE LICENSE AND SERVICES AGREEMENT**

This independent Schedule to the Software License and Services Agreement ("Schedule") is made as of December 15, 1997 ("Schedule Effective Date") by and between PeopleSoft, Inc. ("PeopleSoft") and Washington Gas Light Company ("Licensee"). This Schedule is part of the Software License and Services Agreement between the parties dated December 15, 1997 ("Agreement"). PeopleSoft's Software Support Services Terms and Conditions shall be a part of this Schedule during the Initial Support Services Term and thereafter, provided Licensee elects to purchase Support Services. Capitalized terms used herein shall have the same meaning ascribed to them in the Agreement.

**SOFTWARE / SERVICES**

<u>Software Modules</u>	<u>Mfr.</u>	<u>Provided Copies</u>	<u>Fee</u>
<b>HRMS Software Modules</b>			
Human Resources	PeopleSoft, Inc.	1	
Benefits Administration	PeopleSoft, Inc.	1	
FSA Administration	PeopleSoft, Inc.	1	
Payroll	PeopleSoft, Inc.	1	
Time & Labor	PeopleSoft, Inc.	1	
Pension Administration	PeopleSoft, Inc.	1	
<b>Financials Software Modules</b>			
General Ledger	PeopleSoft, Inc.	1	
Budgets	PeopleSoft, Inc.	1	
Asset Management <sup>1</sup>	PeopleSoft, Inc.	1	
Payables	PeopleSoft, Inc.	1	
Receivables	PeopleSoft, Inc.	1	
Projects	PeopleSoft, Inc.	1	
Billing	PeopleSoft, Inc.	1	
<b>Distribution Software Modules</b>			
Purchasing	PeopleSoft, Inc.	1	
Inventory	PeopleSoft, Inc.	1	
<b>Other Software</b>			
SQLHost <sup>2</sup>	Centura, Inc.	1	
SQL Gateway	Centura, Inc.	1	
PeopleTools - Restricted Development <sup>3</sup>	PeopleSoft, Inc.	1	
Workstation Access for unlimited users (includes base application access, PeopleSoft Workflow, Workstation SQR, QueryLink, Crystal, nVision).	PeopleSoft, Inc. Sybase, Inc./SQRIBE Technologies Crystal Computer Services	1	
Server SQR for unlimited servers	Sybase, Inc./ SQRIBE Technologies.	1	
CONTINUED NEXT PAGE			

REDACTED

<sup>1</sup> The server version of SQR must be licensed.

<sup>2</sup> Each Mainframe (DB2) copy of SQLHost includes one SQL Gateway.

<sup>3</sup> PeopleTools for Restricted Development shall be used by Licensee to develop interfaces and modification only to the licensed PeopleSoft Software application modules.

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PowerPlay 5 user pack <sup>4</sup>	Cognos Corp.	1
Esbase Data Analysis Server <sup>5</sup>	Arbor Software Corporation	1
Esbase Concurrent Users (Ports) <sup>6</sup> - Five (5) Users	Arbor Software Corporation	1
Other: DB2/MVS/ESA or OS/390 database environment		1
<b>TOTAL FEES:</b>		

REDACTED

1. **Specific Licensed Use:** Licensee's use of the Software is limited to each of the following restrictions.

Territory	Software (indicate the country specific global version or local version <sup>7</sup> for each country within the Territory in which or for which the Software will be used)	Employees	Calculated Revenues
United States	American English Global Version	2100	\$500 Million

2. **Technical Environment:**

Database Version	Operating System	Hardware Model
DB2	MVS/ESA or OS/390	

3. **Licensee shall receive the applicable items listed below:**

Item	Qty.
Training Units <sup>8</sup>	207
Support Days <sup>9</sup>	9

4. **Payment Terms:** Licensee shall pay PeopleSoft fifty percent (50%) of license fees on the Schedule Effective Date; forty percent (40%) upon the earlier of (i) the delivery of the Software to Licensee or (ii) ten (10) days after the Schedule Effective Date; and ten percent (10%) upon the earlier of: (i) the Software installation date; or (ii) sixty (60) days after the Schedule Effective Date. Unless explicitly stated in this Schedule or the Agreement, all fees specified herein are non-cancelable and non-refundable. All fees are payable in U.S. dollars and shall be sent to the attention of PeopleSoft's Accounts Receivable Department.

5. **Support Services Terms for One Single, Central Site:** For a period of one year commencing on the Schedule Effective Date ("Initial Support Services Term"), Licensee shall receive Support Services at the Site for the Software version which meets the Technical Environment at no additional cost. For purposes of this Schedule One, "Single, Central Site" shall mean the two (2) locations listed in Section 17 of this Schedule One, or any other two Sites as indicated to PeopleSoft by Licensee pursuant to Section 2.1.f. of the Agreement, so long as such Sites are located in the District of Columbia and/or Maryland and/or Virginia. Licensee may elect to continue Support Services for the following year, and shall pay in advance of the period an annual Support Services fee equal to seventeen (17%) percent of the total fees for the Software licensed pursuant to this Schedule. For pricing purposes only, PeopleSoft agrees that during the subsequent eight (8) year period, Licensee may elect to continue Software Support Services for the following year by paying PeopleSoft an annual Support Services fee that is the lower of (i) the then-current Support Services fee or (ii) a Support Services fee that shall not exceed an increase of five percent (5%) over the prior year's Support Services fee paid by Licensee to PeopleSoft or a total increase of forty percent (40%) over such eight year period. Thereafter, Licensee may elect to continue Support Services by paying PeopleSoft the then-current Support Services fee. The applicable Support Services fee assessed prior to the commencement of each year of Support Services shall incorporate the then-current employee count and/or Reported Revenues. Additional license fees due pursuant to the section in this Schedule entitled Incremental License Fees shall be included in the calculation for Support Services fees. In the event Licensee's database environment changes in accordance with Section 2.1.e of the Agreement during the eight (8) year period from the Schedule Effective Date, PeopleSoft shall calculate the Software Support Services fees as contemplated herein, less the DB2/OS/390 database environment fee of \$REDACTED. PeopleSoft shall continue to

<sup>4</sup> PowerPlay shall be licensed for each named user.

<sup>5</sup> Esbase Server includes Arbor Esbase Tools Bundle. Esbase Server must be licensed with a minimum of five (5) concurrent user ports.

<sup>6</sup> Must order minimum five (5) concurrent users)

<sup>7</sup> Local support services must be purchased for each country in which or for which a local version of the Software will be used.

<sup>8</sup> One (1) Training Unit is one training day for one person at a scheduled PeopleSoft Training Session.

<sup>9</sup> One (1) Support day is equivalent to an eight (8) hour work day.

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make available Support Services for the Software licensed on this Schedule as long as PeopleSoft is providing such Support Services to the other of PeopleSoft's customer base that has licensed the same Software (performing on the same database and operating system) as Licensee.

6. **Incremental License Fees:** Licensee's licensed use of the HRMS Software licensed pursuant to this Schedule is based on an employee count of 2100. Each year on the Anniversary Date (defined as the month and date of the Schedule Effective Date), Licensee shall report to PeopleSoft its employee count and shall pay additional non-refundable, non-cancelable license fees as set forth below for the HRMS Software modules licensed herein on the Schedule Effective Date for each incremental increase of 500 in employees.

Employee Growth Increment	Expanded Use License Fee
2600-3099 employee growth increment	REDACTED
3100-3599 employee growth increment	
3600-4099 employee growth increment	
4100-4599 employee growth increment	
4600-5099 employee growth increment	
5100-5599 employee growth increment	
5600-6099 employee growth increment	
6100-6599 employee growth increment	
6600-7099 employee growth increment	
7100-7599 employee growth increment	

7. **Incremental License Fees:** Licensee's licensed use of the Financials Software Modules and Distribution Software Modules licensed pursuant to this Schedule One is based on Calculated Revenues not exceeding \$500 Million. For purposes of this Schedule, "Calculated Revenues" shall mean Licensee's gross revenues minus the cost of gas. Each year on the Anniversary Date (defined as the month and date of the Schedule Effective Date), Licensee shall report to PeopleSoft the Calculated Revenues reflected in an audited statement from its external accounting firm and shall pay additional non-refundable, non-cancelable license fees as set forth below for the Financials Software Modules and Distribution Software Modules licensed herein for each incremental increase of \$100 Million in Calculated Revenues.

Calculated Revenues	Expanded Use License Fee
\$600 Million Calculated Revenues	REDACTED
\$700 Million Calculated Revenues	
\$800 Million Calculated Revenues	
\$900 Million Calculated Revenues	
\$1 Billion Calculated Revenues	
\$1.1 Billion Calculated Revenues	
\$1.2 Billion Calculated Revenues	
\$1.3 Billion Calculated Revenues	
\$1.4 Billion Calculated Revenues	
\$1.5 Billion Calculated Revenues	

8. **Software Escrow:** Licensee shall have the right to become a beneficiary to the Software Source Code Escrow Agreement between PeopleSoft and FileSafe, Inc. (SourceFile) dated November 23, 1993, a copy of which is attached and incorporated as Exhibit B. During the period Licensee continues as a participant in PeopleSoft's Software Support Services program, PeopleSoft agrees to maintain the Software Source Code Escrow Agreement specified herein or another agreement with substantial similar terms and conditions.

9. **Divestiture License Fees.** In the event Licensee divests its interest in an Affiliate, such Affiliate may continue to use the Software during the initial two year period after the divestiture pursuant to the terms set forth in Section 13 of the Agreement. Prior to the end of the two year period, the Affiliate and PeopleSoft must execute a mutually acceptable Agreement and Schedule for the continued use of the Software by the Affiliate. PeopleSoft agrees to deduct from the then current license fees owed by such Affiliate for the Software licensed pursuant to this Schedule the Pro-Rata Portion of the license fees paid by Licensee attributable to the Affiliate. For purposes of this Schedule, "Pro-Rata Portion" shall be calculated by taking an amount equal to the license fees paid by Licensee hereunder for the Software being licensed by such Affiliate, multiplied by (i) the number of employees (for HRMS Software) or Calculated Revenues (for Financials Software Modules and Distribution Software Modules) attributable to such Affiliate at the time such license fees were determined, divided by (ii) the total amount of employees or Calculated Revenues, as applicable, specified in Section 1 above.

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10. **Additional Software Option for Then-Currently Available Software:** During the three (3) year period following the Schedule Effective Date, Licensee has the option to license additional then-currently available PeopleSoft Software Modules consistent with the same terms, conditions and reductions reflected in this Agreement and Schedule (including, without limitation, Section 5 of the Schedule), excluding sections 12, 14 and 16, provided that (i) Licensee executes and delivers to PeopleSoft a Schedule to this Agreement for such Software during such period, and (ii) Licensee pays PeopleSoft the applicable license fees. Licensee understands that PeopleSoft makes no assurances regarding if or when any additional Software Modules shall become available. The expanded use license fee associated with such additional PeopleSoft Software Modules shall be calculated similar to the calculation set forth in Section 7 above.

In addition to the option to license additional PeopleSoft Software Modules as described in the immediately preceding paragraph of this Section 10, Licensee has the option to license the following specified Software Modules at the fees set forth below at any time during the three (3) year period following the Schedule Effective Date), provided that (i) Licensee executes and delivers to PeopleSoft a Schedule to this Agreement, for such Software during such period, consistent with the same terms, conditions and reductions reflected in this Agreement and Schedule (including, without limitation, Section 5 of the Schedule), excluding sections 12, 14 and 16, (ii) Licensee pays PeopleSoft the applicable license fees. Licensee understands that the Software Modules specified herein are not currently available and PeopleSoft makes no assurances regarding if or when such Software Modules shall become available. The license fees specified herein assume that the Licensee's annual calculated revenues are as set forth in Section 1 above at the time this option is exercised.

<u>Software Module</u>	<u>License Fee</u>
Expenses	
Cash Management	
Cash Management & Deal Management	
Cash Management, Deal Management & Risk Management	REDACTED
Performance Management	

In the event Licensee exercises its option(s) under this Section 10 to license additional Software Module(s), PeopleSoft agrees that the Schedule affecting such license(s) shall include terms and conditions representing a mutually agreed upon acceptance period for such Software Modules. The license fees represented herein are subject to an up-charge equal to twenty percent (20%) in the event Licensee desires to license the DB2/OS/390 version of the Software Modules specified herein.

11. **Solicitation of Employees:** Each party agrees not to directly solicit for employment any employee of the other party for a period ending two (2) years from the Schedule Effective Date.

12. **Consulting Services Option:** During the one year period following the Schedule Effective Date, Licensee may purchase PeopleSoft Consulting Services on a hourly basis at the fees specified below:

<u>Consulting Services</u>	<u>Fees per Hour</u>
Consultant	
• Upgrade Consultant	
• Upgrade Senior	
• Senior Consultant	REDACTED
• Project Manager	
• Upgrade Manager	
• Product Specialist	
• Upgrade Product Specialist	
• Practice Manager	

Licensee shall reimburse PeopleSoft for all pre-approved reasonable travel and living expenses associated with any such consulting services.

13. **Additional Central Point of Support Services:** During the three year period following the Schedule Effective Date, PeopleSoft agrees the fee for an additional central point of support for the Software specified on this Schedule shall be calculated as shown below. PeopleSoft agrees that during the subsequent three year period, Licensee may elect to continue Software Support Services for

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the following year by paying PeopleSoft an annual Support Services fee that is the lower of (i) the then-current Support Services fee or (ii) a Support Services fee that shall not exceed an increase of ten percent (10%) over the prior year's Support Services fee paid by Licensee to PeopleSoft or a total increase of fifteen percent (15%) over such three year period. Thereafter, if Licensee wishes to continue to receive Software Support Services, Licensee and PeopleSoft agree to negotiate in good faith the fees associated with Software Support Services for the subsequent yearly period(s). Upon Licensee's election to receive the Support Services referenced in this Section, Licensee must pay the applicable fee to PeopleSoft. Such Support Services are not included in the original fees specified on this Schedule.

**Additional Site Software Support Fees (Size of Additional Site)**

Number of Modules	SMALL 2000 Employees (Basis) \$500,000 in Revenue (Financial Distribution)	LARGE 2000 Employees (Basis) \$500,000 in Revenue (Financial Distribution)
REDACTED	REDACTED	REDACTED

14. **Additional Training Units Option:** During the twelve (12) month period following the Schedule Effective Date, Licensee may pre-purchase additional training units at the fees specified below:

Training Units	Fee per Unit per Pre-Purchase
1-99 units	REDACTED
100-299 units	REDACTED
300+ units	REDACTED

15. **Delivery of the Software:** PeopleSoft shall ship the Software by overnight carrier to Licensee's Site within seven (7) business days following the Schedule Effective Date.

16. **Installation of the Software:** PeopleSoft agrees to commence and pursue to completion the initial installation of the Software upon a mutually agreeable date within the sixty (60) calendar day period following the Schedule Effective Date; provided Licensee's environment is installation - ready at least one week prior to PeopleSoft's arrival.

**17. Miscellaneous Information: SEE ATTACHED SHEET**

SHIPPING INFORMATION	BILLING INFORMATION	SITE ONE INFORMATION	TRAINING ADMINISTRATION
Contact:	Contact:	Contact:	Contact:
Address:	Address:	Address: 1100 H Street, NW	Address:
		Washington, DC 20080	
Phone:	Phone:	Phone:	Phone:
Fax:	Fax:	Fax:	Fax:
SITE TWO INFORMATION			
Contact:			
Address: 6801 Industrial Road			
Springfield, VA 22151			
Phone:			
Fax:			

ACCEPTED BY:

WASHINGTON GAS LIGHT COMPANY

*[Signature]*  
 Authorized Signature  
 James H. DeGraffenreidt, Jr.  
 President & Chief Operating Officer  
 Printed Name and Title

ACCEPTED BY:

PEOPLESOFT, INC.

*[Signature]*  
 Authorized Signature  
 Jim L. Benner, Vice President Sales  
 Printed Name and Title